

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATON FOR A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY OF SOUTH)
641 WATER DISTRICT SEWER WASTEWATER) CASE NO. 2009-00349
TREATMENT PLANT IMPROVEMENTS AND)
LIFT STATION CONSTRUCTION)

ORDER

South 641 Water District has applied to the Commission for a Certificate of Public Convenience and Necessity to construct a sewage treatment facility. Having considered the application and the evidence of record and being advised, the Commission finds that:

1. South 641 Water District, a water district organized pursuant to KRS Chapter 74, owns and operates sewage collection and treatment facilities in Calloway County, Kentucky that provide sewage collection and treatment service to approximately 224 customers.¹

2. South 641 Water District's principal treatment facility is a 300,000 gallon-per-day sewage treatment plant that was constructed in 1956.

¹ *Annual Report of South 641 Water District to the Public Service Commission of Kentucky for the Calendar Year Ended December 31, 2008* at 8.

3. On February 1, 2006, the Kentucky Division of Water (“DOW”) issued a notice of violation to South 641 Water District for its use of an unapproved form of disinfection and its failure to use an effluent flow meter.²

4. On July 27, 2007, the DOW issued a Notice of Violation against South 641 Water District because discharge monitoring reports indicated a fecal coliform excursion.

5. On August 29, 2008, the DOW issued a notice of violation against South 641 Water District because effluent exceeded certain parameter levels set forth in its Kentucky Pollutant Discharge Elimination System Permit.

6. The DOW has directed South 641 Water District to make improvements to its existing sewage collection and treatment facilities.

7. South 641 Water District will construct the proposed facilities in two phases. Phase I consists of improvements to the existing wastewater treatment plant and construction of a lift station. Phase II will involve the repair and rehabilitation of sewer collection mains.

8. The Phase I Improvements³ include the construction of a lift station with two influent pumps capable of pumping 150 gallons of effluent per minute, 90 linear feet of 8-inch gravity main, replacement of the water district’s existing chlorine contact structure, the installation of influent and effluent flow measuring equipment,

² Application at 1.

³ For purposes of the Water Resource Information System (WRIS), the Kentucky Infrastructure Authority (“KIA”) has designated this project as Project No. SX21035008.

rehabilitation of the water district's existing weir in the East Fork of Clarks River, and stream bank stabilization.

9. South 641 Water District estimates the total cost of the Phase I Improvements, including the cost of construction, design and inspection fees and contingencies, will be \$418,700. The total cost of Phase II Improvements is estimated to be \$480,600. South 641 estimates the total cost of all improvements, when administration fees related to the project funding for both phases are included, to be \$940,600.⁴

10. South 641 Water District will fund the cost of the construction with a Community Development Block Grant of \$440,000,⁵ an Environmental Protection Agency Grant of \$240,600,⁶ and appropriations of \$260,000 from the Kentucky General Assembly.⁷

11. The DOW has approved South 641 Water District's application for a construction permit and stream construction permit for the Phase I Improvements.

12. The proposed facilities are located in South 641 Water District's territory and will not provide service outside such territory.

⁴ Letter from Nancy Mieure and Hillis Farris to Jeff Derouen (Feb. 22, 2010).

⁵ Press Release, Governor's Office for Local Development, Hazel Awarded Grant for Sewer Rehabilitation Project (May 29, 2008), <http://migration.kentucky.gov/Newsroom/gold/hazel+wwtp.htm> (last visited Mar. 18, 2010).

⁶ http://yosemite.epa.gov/oarm/igms_egf.nsf/52f35d81cc937e5e85256fb6006df28e/5d0e7467f1ce5362852575ed004eeefa!OpenDocument (last visited Mar. 18, 2010).

⁷ 2006 Ky. Acts Ch. 252; 2008 Ky. Acts Ch. 191.

13. The proposed facilities will not result in a wasteful duplication of plant, equipment, property or facilities.

14. The proposed facilities will not compete with the facilities of other utilities operating in the same area and under the Commission's jurisdiction.

15. The public convenience and necessity require the construction of the proposed Phase I Improvements.

IT IS THEREFORE ORDERED that:

1. South 641 Water District is granted a Certificate of Public Convenience and Necessity to proceed with the Phase I Improvements as set forth in the plans and specifications of record herein.

2. South 641 Water District shall obtain approval from the Commission prior to performing any additional construction not expressly authorized in this Order.

3. Any deviation from the construction approved shall be undertaken only with the prior approval of the Commission.

4. South 641 Water District shall furnish documentation of the total costs of this project, including the cost of construction and all other capitalized costs (engineering, legal, administrative, etc.) within 60 days of the date that construction is substantially completed. Construction cost should be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for Water Utilities prescribed by the Commission.

5. South 641 Water District shall require construction to be inspected under the general supervision of a licensed professional engineer with a Kentucky registration in civil or mechanical engineering to ensure that the construction work is done in

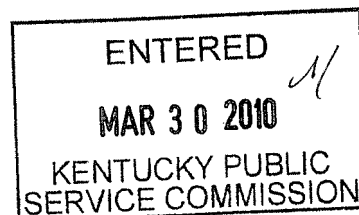
accordance with the contract drawings and specifications and in conformance with the best practices of the construction trades involved in the project.

6. South 641 Water District shall notify the Commission in writing seven days prior to the actual commencement of the proposed construction and when 50 percent of the proposed construction is completed.

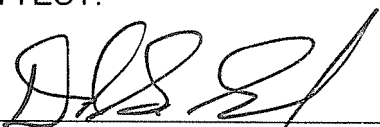
7. South 641 Water District shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the approved construction.

8. Subject to the filing of timely petition for rehearing pursuant to KRS 278.400, these proceedings are closed. The Executive Director shall place any future filings in the appropriate utility's general correspondence file or shall docket the filing as a new proceeding.

By the Commission



ATTEST:



Executive Director

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